

In the sixteen months that it has been an ETC in Alabama (through 1Q 04), RCC has received \$3.4 million in high-cost support. RCC has used high-cost support for new construction, system upgrades, and maintenance projects. Major items include expansion of its network facilities to increase channel capacity to consumers, switch upgrades to both its hardware and software, and the addition of six new cell sites to its existing ETC service area. To date, RCC has invested over \$12.4 million in capital expenditures on network infrastructure and upgrades that have benefited Alabama's rural consumers:

Furthermore, RCC continues to plan system upgrades and expansion to improve its service quality and respond to consumer requests within its ETC service area. Looking forward, the expected capital expenditures for the remainder of 2004 include the following 11 new sites, which have a budgeted cost of approximately \$2 million.

- Sylacauga
- Alexander City
- East Andalusia
- Linden
- Reform
- Butler (currently in our ETC pending area)
- Ashland
- Carrolton
- Sulligent
- Vernon
- Munford

RCC will continue to budget for the use of all high-cost support and will be pleased to provide the FCC with annual reports demonstrating that such support was properly invested to the benefit of Alabama consumers.